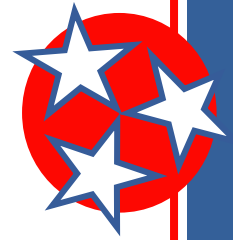


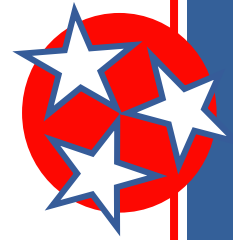
Realizing the Dream: The Benefits of Higher Education



Walters State Community
College
February 24, 2004

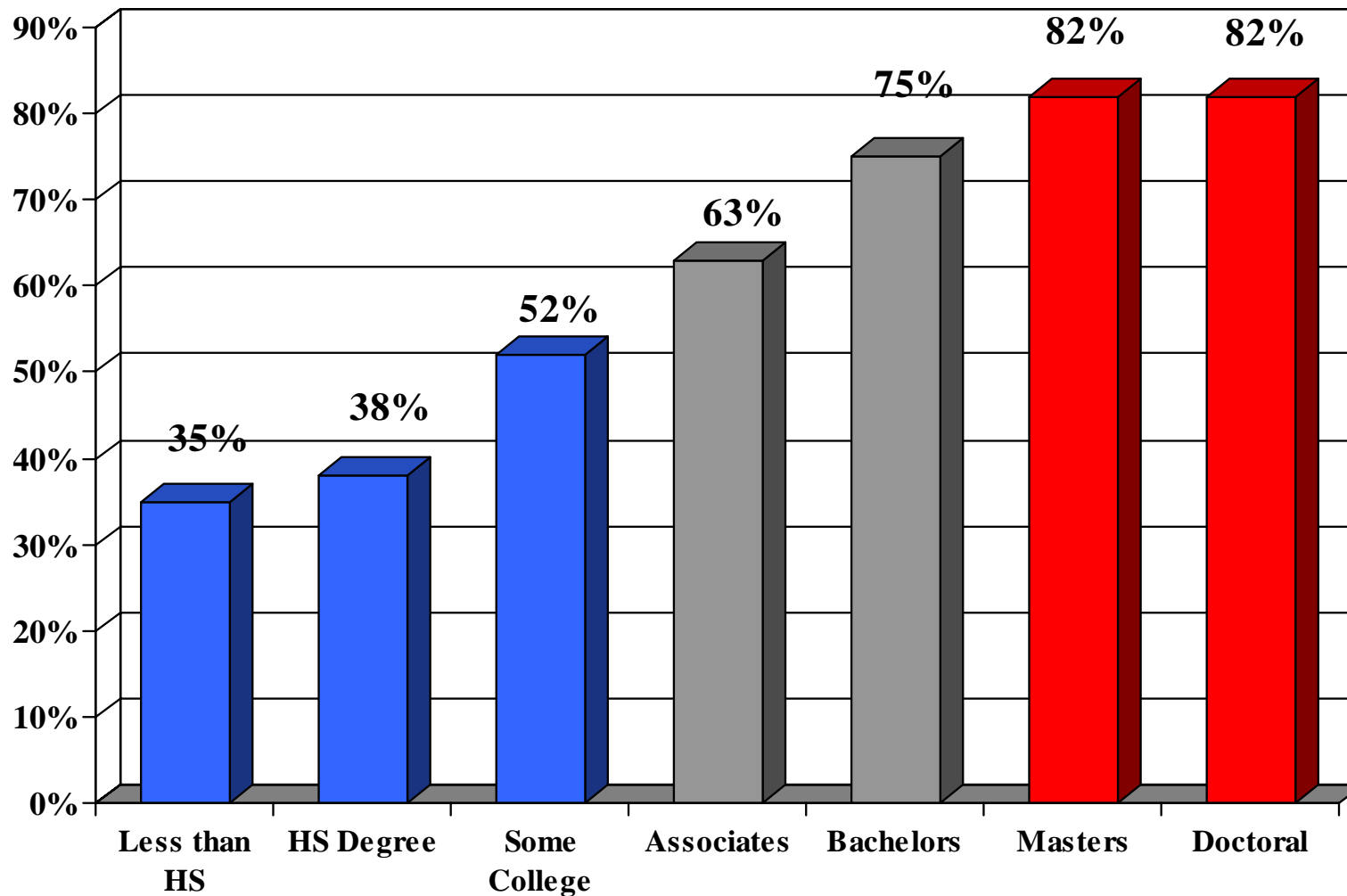
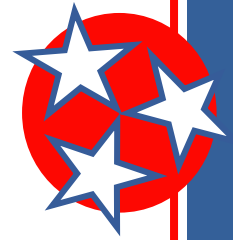


The Importance of Higher Education



- Individuals and society derive economic benefits from human capital investments in people
- Increasing educational attainment rates yield improvements in workforce productivity, lead to increased earnings, and contribute to the general betterment of society
- The advancement of educational attainment has become an indispensable variable in policy efforts to make improvements of society as a whole
- Without a college degree, individuals are limited in their ability to compete in the Knowledge Economy

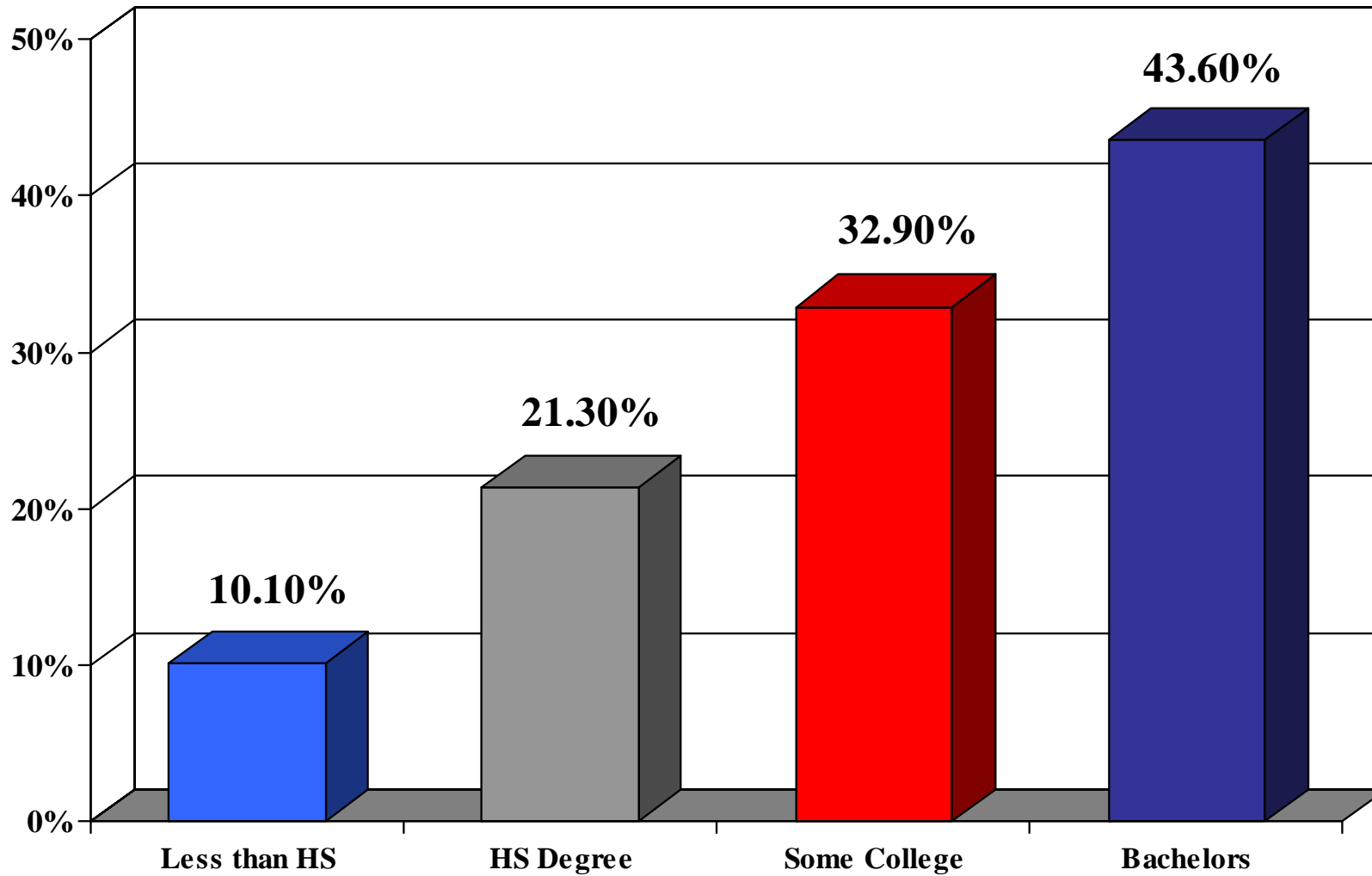
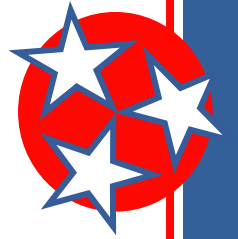
Rate of Voter Participation by Educational Attainment



Source: *Postsecondary Opportunities*, June, 2002, # 120: p.11



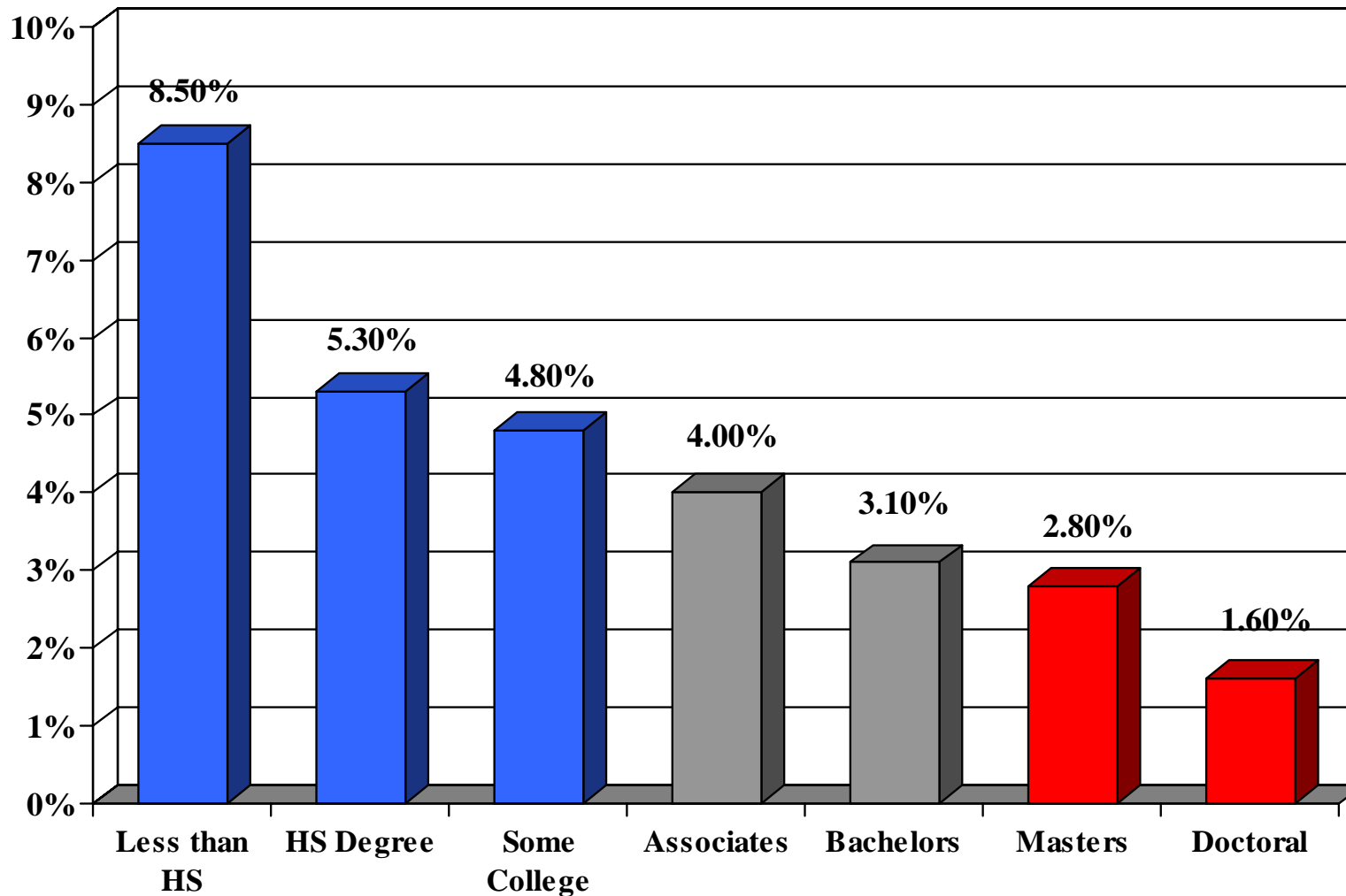
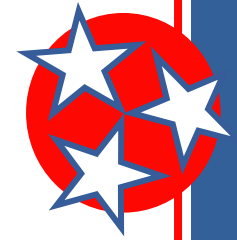
Rate of Volunteerism by Educational Attainment



Source: *Postsecondary Opportunities*, Jan. 2003, # 127: p.11



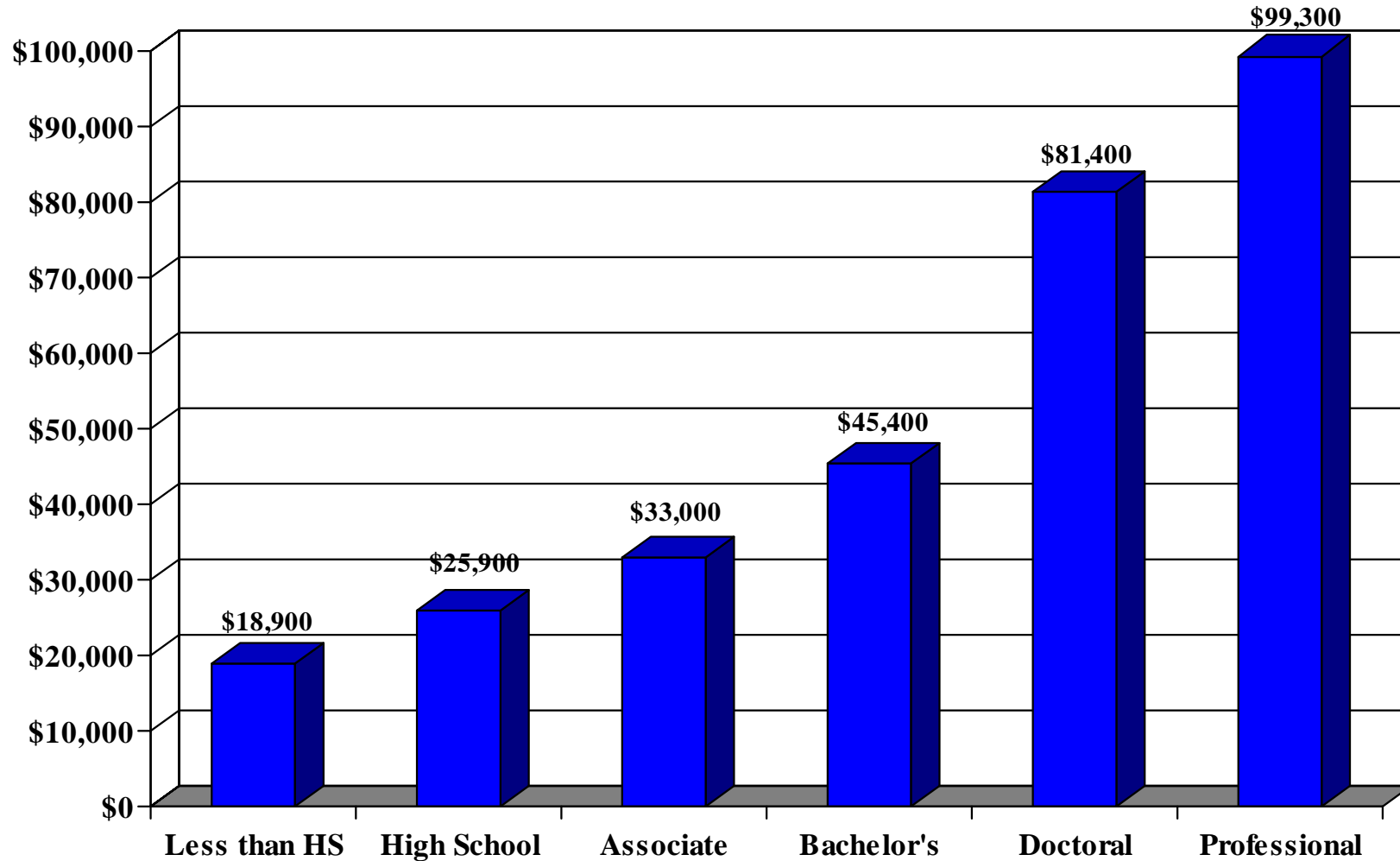
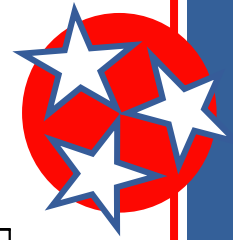
Unemployment Rate by Educational Attainment



Source: U.S. Census Bureau, 2002 Current Population Survey

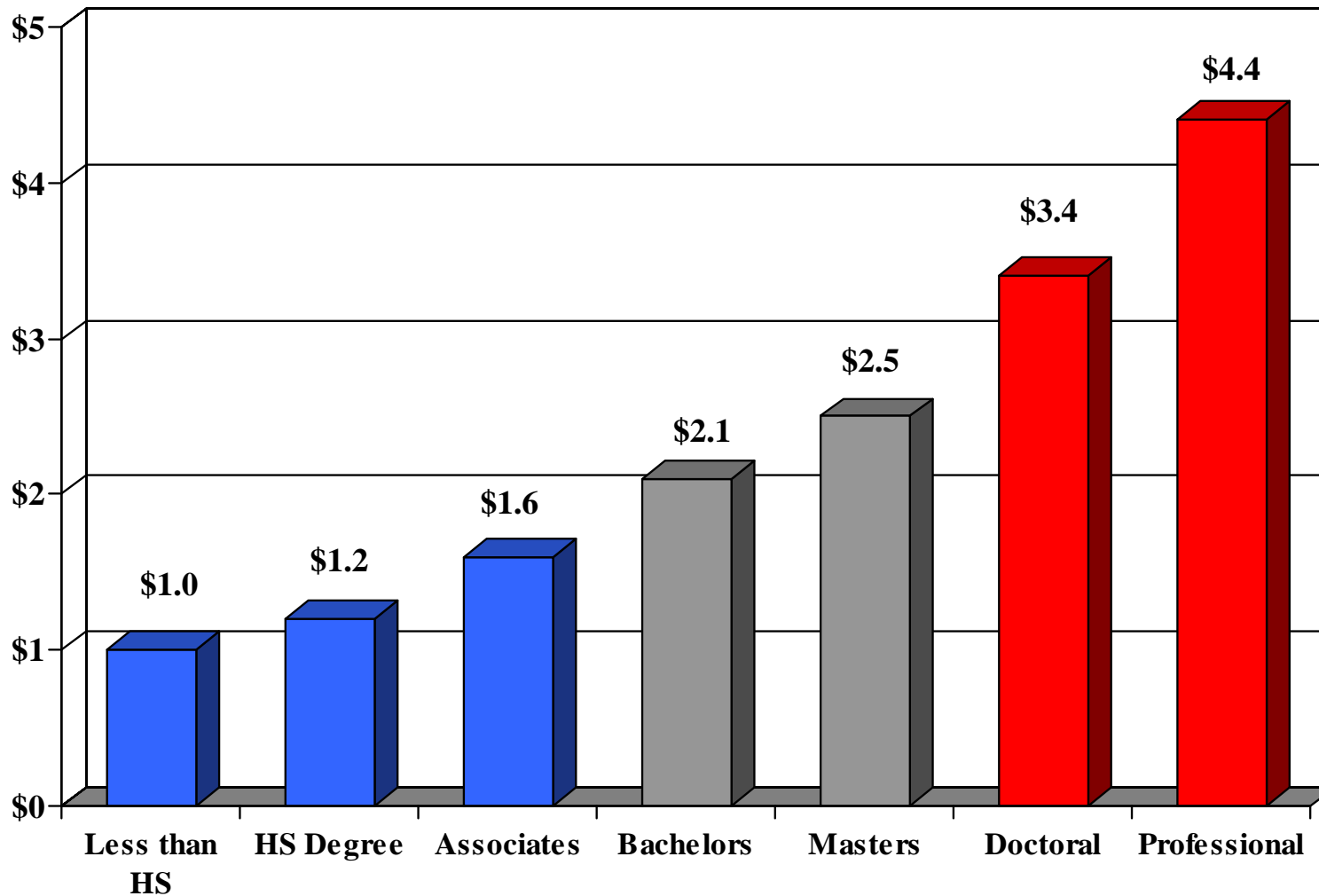
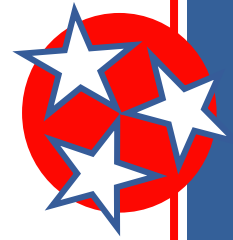


Median Income by Level of Educational Attainment



Source: U.S. Census Bureau, Current Population Survey, 1998-2000

Lifetime Earnings by Educational Attainment (in millions of 1999 dollars)



Source: U.S. Census Bureau, 2002 Current Population Survey

The Importance of Higher Education for Tennessee



- Tennessee is in a national race to develop a knowledge-based society that facilitates competition in the information marketplace. The academic imperative to maximize the achievement of all students must come to the forefront.
- Major gains are unlikely unless higher education works cooperatively with the K-12 sector to ensure that students are prepared for college, educational costs remain affordable, and a greater percentage of students to enter and graduate from college on time.
- By bringing these pieces of the puzzle together, Tennessee will eventually be able to realize a higher degree of performance in a variety of educational, economic, and social categories.



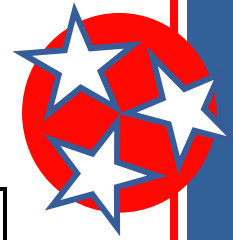
Student Progression



- Several recent studies have highlighted the difficulties that high school seniors have with respect to transitioning through the educational pipeline
- Less than 60% of high school seniors graduate on time with a degree, and less than 30% receive a bachelor's degree
- One of the central elements of Tennessee's HOPE scholarship program is to address issues of student transition



Completion: Cracks in the Pipeline



State	For every 100 Ninth Graders	Graduate from High School	Enter College	Still Enrolled Sophomore Year	Graduate within 6 years
Massachusetts	100	75	52	41	28
Iowa	100	83	54	37	28
Pennsylvania	100	75	46	36	27
Virginia	100	74	39	30	20
Delaware	100	61	36	28	19
Missouri	100	73	39	27	18
North Carolina	100	59	38	28	18
Maryland	100	73	40	30	18
California	100	69	33	22	17
West Virginia	100	75	39	27	15
Florida	100	55	32	23	14
South Carolina	100	51	34	23	14
Tennessee	100	55	34	23	14
Alabama	100	59	34	23	13
Kentucky	100	66	39	25	13
Mississippi	100	56	36	23	13
Arkansas	100	74	39	26	12
Louisiana	100	56	33	22	12
Oklahoma	100	73	36	23	12
Georgia	100	52	32	21	12
Texas	100	62	32	19	11
United States	100	67	38	26	18





Educational Attainment - SREB States

Percentage of Population 25 or Older with a Bachelor's Degree (2000 Full Census)					
	1990	1995	1999	2000	% Change
United States	20.3%	23.0%	25.2%	24.4%	4.1%
SREB States	18.6%	19.9%	21.7%	22.4%	3.8%
Alabama	15.7%	17.3%	21.8%	19.0%	3.3%
Arkansas	13.3%	14.2%	17.3%	16.7%	3.4%
Delaware	21.4%	22.9%	24.0%	25.0%	3.6%
Florida	18.3%	22.1%	21.6%	22.3%	4.0%
Georgia	19.6%	22.7%	21.5%	24.3%	4.7%
Kentucky	13.6%	19.3%	19.8%	17.1%	3.5%
Louisiana	16.1%	20.1%	20.7%	18.7%	2.6%
Maryland	26.5%	26.4%	34.7%	31.4%	4.9%
Mississippi	14.7%	17.6%	19.2%	16.9%	2.2%
North Carolina	17.4%	20.6%	23.9%	22.5%	5.1%
Oklahoma	17.8%	19.1%	23.7%	20.3%	2.5%
South Carolina	16.6%	18.2%	20.9%	20.4%	3.8%
Tennessee	16.0%	17.8%	17.7%	19.6%	3.6%
Texas	20.3%	22.0%	24.4%	23.2%	2.9%
Virginia	24.5%	26.0%	31.6%	29.5%	5.0%
West Virginia	12.3%	12.7%	17.9%	14.8%	2.5%

TN ranked 10th in the SREB in 2000, an increase of one position over 1990.

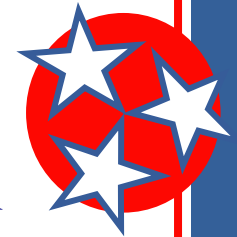
To reach the average attainment level of our border states, we need to create 181,530 additional college graduates

SREB Factbook 2002-03



The Progressive Policy Institute

- New Economies Index

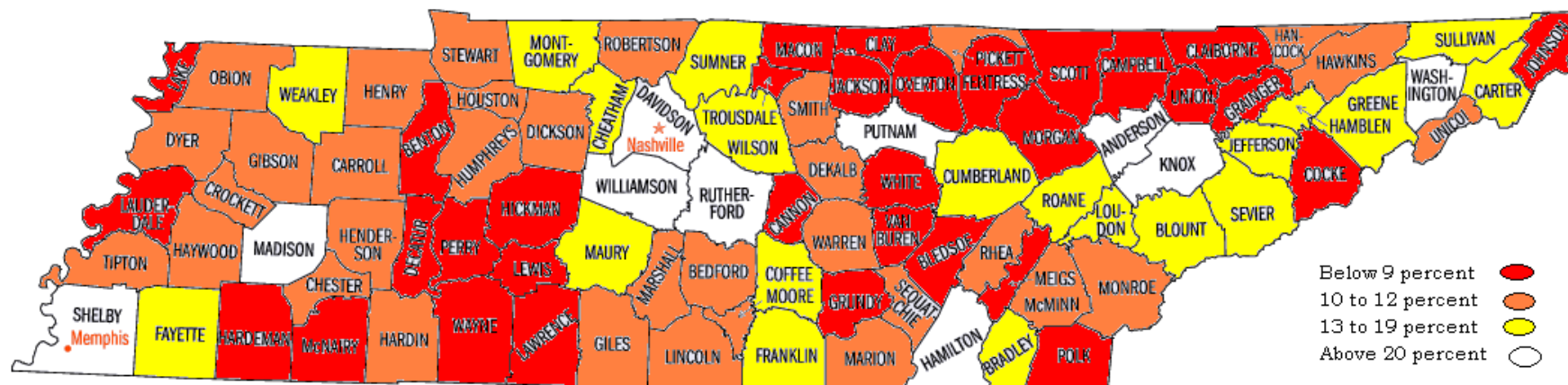


STATES BY RANK					
Rank 2002	Score 2002	State	Rank 1999	Score 1999	Rank Change
1	90	Massachusetts	1	82.3	0
2	86.2	Washington	4	69	2
3	85.5	California	2	74.3	-1
4	84.3	Colorado	3	72.3	-1
5	75.6	Maryland	11	59.2	6
8	72.1	Virginia	12	58.8	4
9	70.5	Delaware	9	59.9	0
14	67.6	Texas	17	52.3	3
18	62.7	Florida	20	50.8	2
22	60.1	Georgia	25	46.6	3
26	57.5	NC	30	45.2	4
34	54.1	Oklahoma	40	38.6	6
39	52.2	Tennessee	31	45.1	-8
41	51.1	SC	38	39.7	-3
42	48.6	Kentucky	39	39.4	-3
45	45.9	Louisiana	47	28.2	2
47	45.3	Alabama	44	32.3	-3
48	41.7	Arkansas	49	26.2	1
49	40.9	Mississippi	50	22.6	1
50	40.7	West Virginia	48	26.8	-2

- ❖ TN rank declines by 8 in three years
- ❖ Historically, the economies of states such as TN depend on natural resources, or on mass production manufacturing, and rely on low production costs rather than innovative capacity, to gain a competitive advantage.
- ❖ Innovative capacity (derived through universities, R&D investments, scientists and engineers, and entrepreneurial drive) is increasingly what drives competitive success in the New Economy.



% of Population with a Bachelor's Degree - 2000

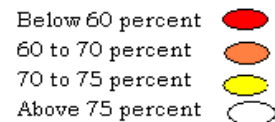


Average for Tennessee in 2000: 19.6%

Average for U.S. in 2000: 24.4%

In 75 of Tennessee's 95 counties, 15% or less of the overall population aged 25 and older hold a college degree.
In 41 counties, 10% or less hold a college degree.

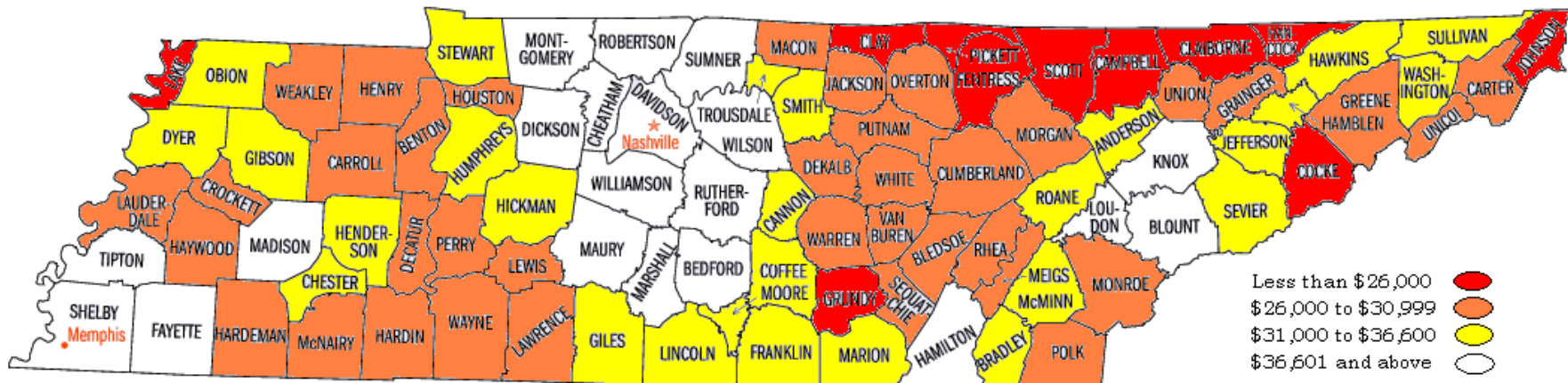
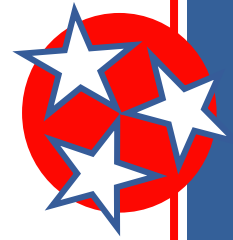




National Average: 80.4%

Tennessee Higher Education Commission ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

Median Household Income



Median Household Income for Tennessee in 2001: **\$36,542**

U.S. Average: \$42,973

In 32 of Tennessee's 95 counties, the median household income is below \$30,000 per year for a family of four.

Only 6 counties in Tennessee are above the national average.

Educational Needs Index Factors

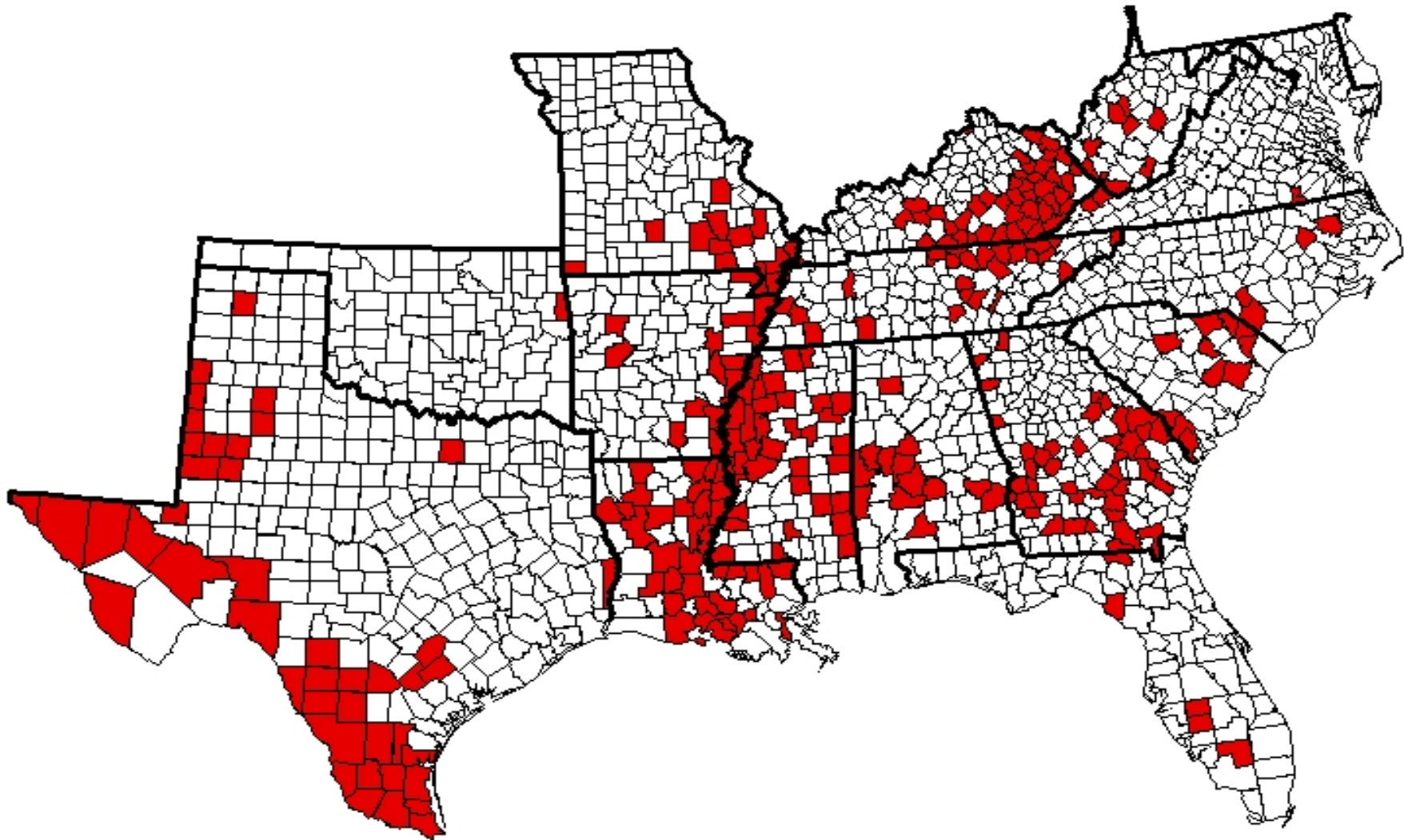
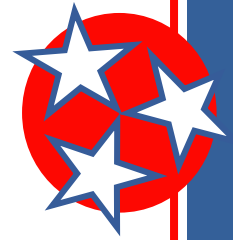


Educational Factors (40% of ENI)
Percent of the population 25 and older with a high school degree
Percent of the population 25 and older with a bachelor's degree
Percent of the population 25 to 64 with an associate degree
Economic Factors (25% of ENI)
Average unemployment over a 24 month period of time (Jan. 2000-Dec. 2001)
Percent of population in poverty
Median household income
Per capita income
Growth Factors (20% of ENI)
Projected population growth from 2000 - 2010
Rate of population growth from 1990 - 2000
Ratio of Births to Deaths, 1990 - 1999
Population age 0-19 as percent of the overall population
Market Factors (10% of ENI)
Population age 20-44 as percent of overall population
Minorities as a percent of population (includes African American and Hispanic)
Manufacturing employment as a percent of industry
Population Adjustment Factors (5% of ENI)
Percent of the state's population age 0-19
Percent of the state's population age 20-44



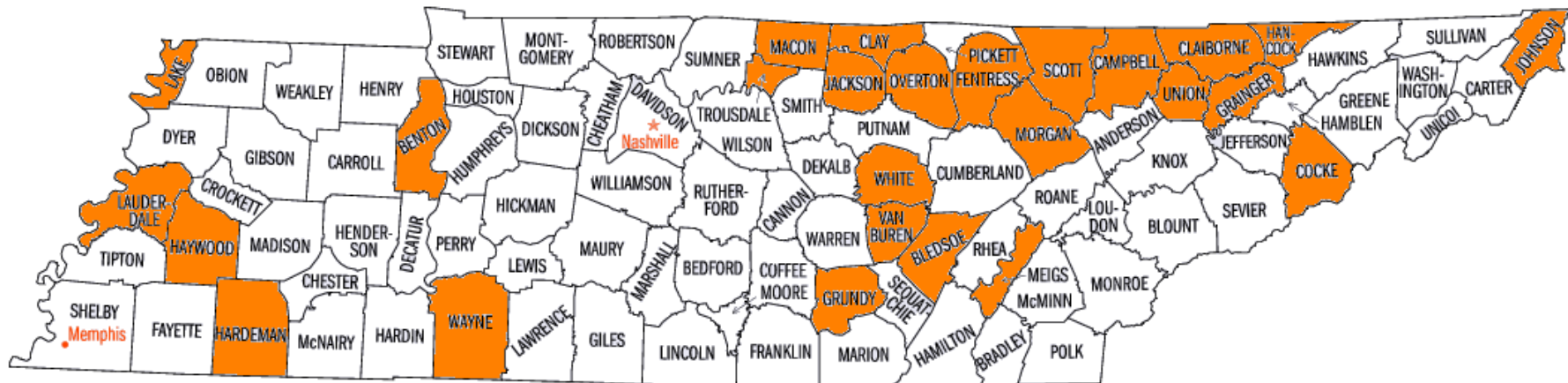
Overall Analysis for the Region

ENI – Most Critical 300 in South



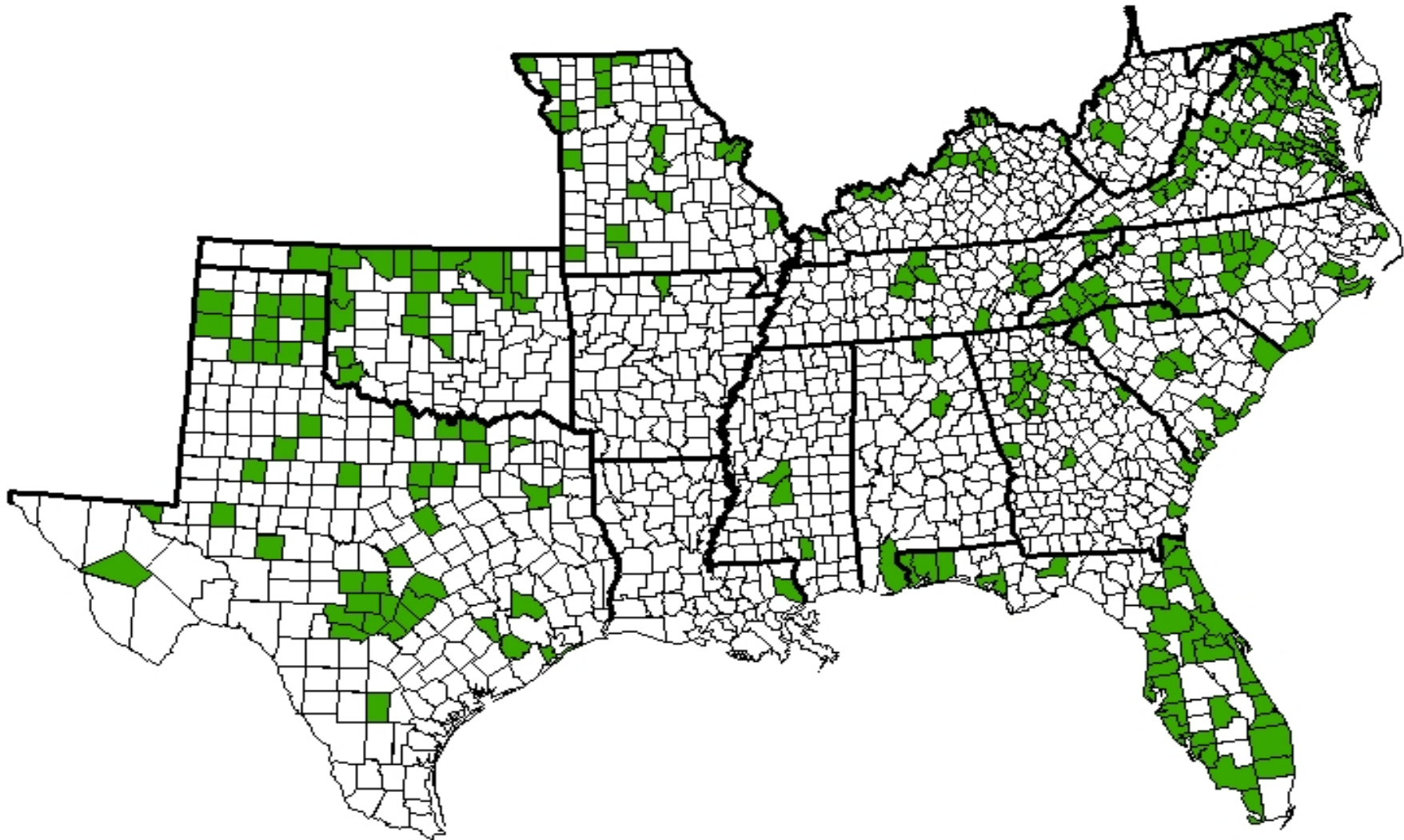
Tennessee

ENI – Most Critical 300 in South



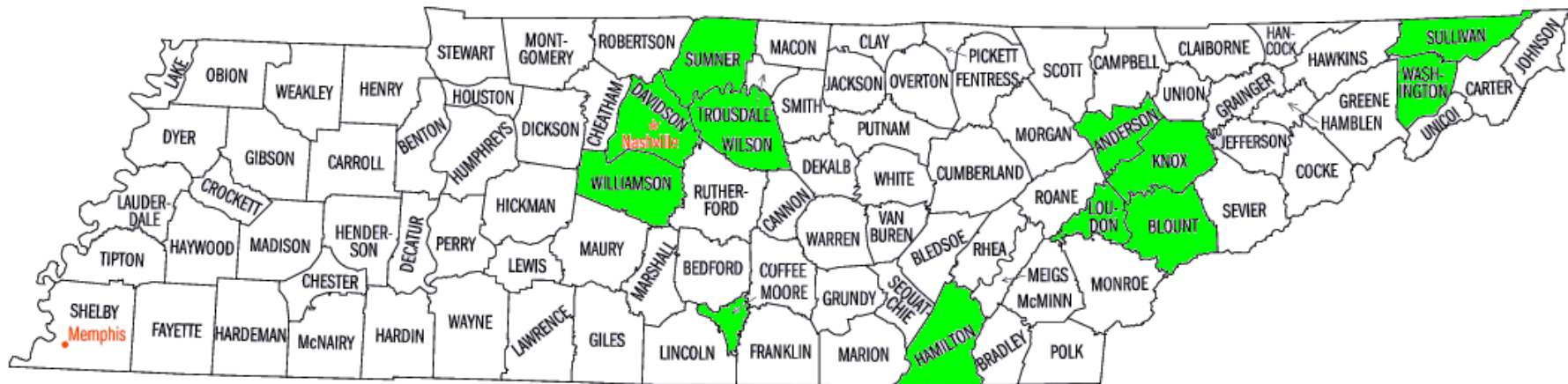
Overall Analysis for the Region

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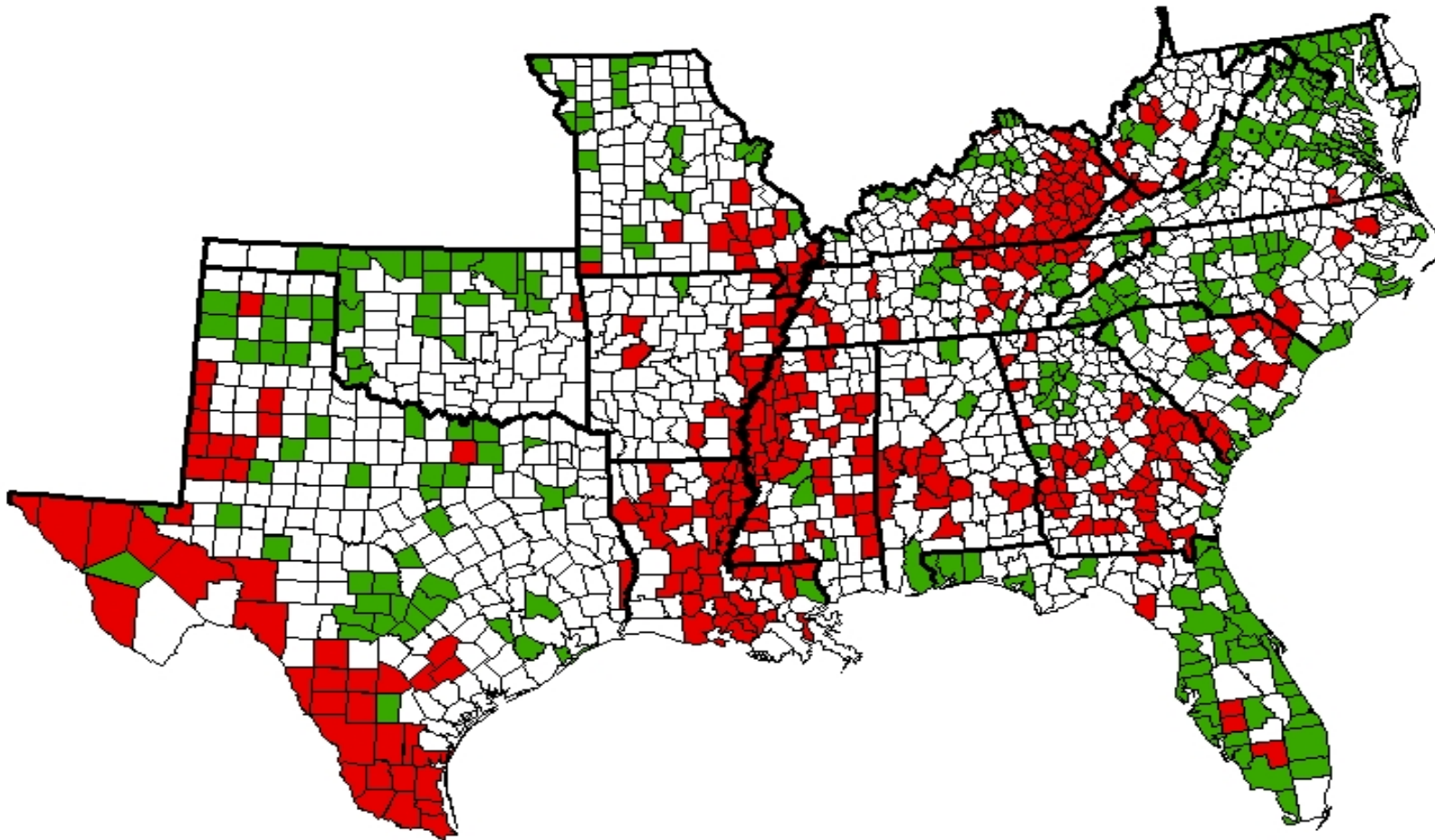
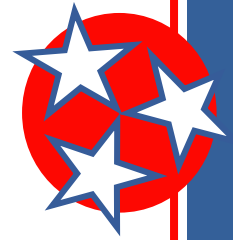


Tennessee

ENI – Least Critical 300 in South



The ENI – Policy Implications

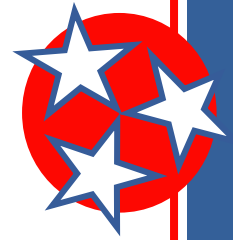




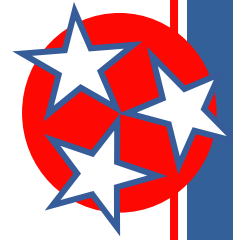
The Importance of Human Capital

- Policymakers must remain diligent in their commitment to creating policies that promote the facilitation of expanding the human capital quotient of all citizens.
- States must implement policies to rectify the human capital deficit ...
 - These include keeping more college graduates in state, identifying gaps in the P-16 pipeline, increasing adult literacy and lifelong learning, and attracting college graduates into the region.
- States must continually invest in their educational infrastructure. States should re-examine their funding for higher education, remaining ever mindful that higher education is the engine that drives the Knowledge Economy.

The Tennessee HOPE Scholarship Program



States with Broad Based Merit Aid Programs



- **Alaska** - \$2,750
- **Florida** – 100% tuition and fees plus \$300 for college related expenses, or a comparable amount at a FL private institution
- **Georgia** – Full tuition and fees at public, \$3000 at private as well as \$1045 tuition grant supplement
- **Kentucky** – Up to \$1000 at a KY public or private institution
- **Louisiana** – Full tuition and fees at public, or comparable amount at a private
- **Michigan** – One time award of \$2500 in state, \$1000 out-of-state
- **Mississippi** – Up to \$2500 at a MS public or private institution
- **Missouri** - \$2000 at a MO public or private institution
- **Nevada** – Up to \$1100
- **New Mexico** – Full tuition and fees at public institution
- **South Carolina** – Full tuition and fees at a SC public, or comparable amount at private
- **West Virginia** – Tuition and fees, or \$2709 at an in-state private institution



An Overview of the Lottery Development Process in Tennessee



- Background of the Education Lottery Taskforce
- Deliberations of the Lottery Taskforce
- Initial Taskforce Recommendation
- Final Taskforce Recommendation
- House Bill 787



The Tennessee HOPE Scholarship Program



- Base HOPE Award (3.0 or 19 ACT)
- General Assembly Merit Scholarship (3.75 and 29 ACT)
- Need-based Awards (3.0 or 19 ACT and AGI below \$36,000)
- ACCESS Grant (2.75 and 18 ACT and AGI below \$36,000)
- Wilder-Naifeh Grant (Admission)

All students who graduate from a public, private, or home-school program may qualify for the award if they meet residency requirements



The Tennessee HOPE Scholarship Program



- Base HOPE Award (\$3000)
- General Assembly Merit Scholarship (\$4000)
- HOPE w/ Need-based supplement (\$4000)
- ACCESS Grant (\$2000)
- Wilder-Naifeh Grant (\$1250)

Students must maintain a 2.75 in their freshman year and a 3.0 each subsequent year to retain the awards.



AWARD AMOUNTS / CRITERIA



Award Requirements	HOPE (base)	General Assembly Merit Scholarship	HOPE w/ Need supplement	HOPE ACCESS Award	Wilder - Naifeh Technical Skills Grant
Amount (4-yr.)	\$3,000	\$4,000	\$4,000	\$2,000	N / A
Amount (2-yr.)	\$1,500	\$2,500	\$2,500	\$1,250	\$1,250
High School GPA overall (unweighted)	3.00	3.75	3.00	2.75	N / A
High School GPA in college core courses (unweighted)	3.00	3.75	3.00	2.75	N / A
ACT	or 19	and 29	or 19	and 18	N / A
Family Adjusted Gross Income	N / A	N / A	\$36,000 or less	\$36,000 or less	N / A
Renewal Requirements					
Cumulative Postsecondary GPA (Freshman year)	2.75	2.75	2.75	2.75	N / A
Cumulative Postsecondary GPA (subsequent years)	3.00	3.00	3.00	3.00	N / A
Credit Hours per academic year	Must maintain continuous enrollment (summer enrollment not required)	Must maintain continuous enrollment (summer enrollment not required)	Must maintain continuous enrollment (summer enrollment not required)	Must maintain continuous enrollment (summer enrollment not required)	N / A
Are Transfer Students Eligible?	Yes, if other renewal requirements are met	Yes, if other renewal requirements are met	Yes, if other renewal requirements are met	Yes, if other renewal requirements are met	N / A
Award limit	5 years	5 years	5 years	5 years	N / A



The Impact of the Lottery in Tennessee



- As the program becomes engrained in the mindset of Tennesseans, it will promote greater expectations among families that higher education is in their children's future.
- Higher levels of student achievement throughout K-12 may be anticipated. More students will be graduating from high school, and better prepared high school graduates will enter and successfully complete college in greater numbers.
- The overall education attainment of the state will improve, which will translate into a more diversified and competitive labor force.



